

REMARKS

Claims 50-58 have been added. Claims 7, 8, 10-21, 32-40, 42 and 45-58 are now pending in this application.

Claims 7-21 and 32-49 have been rejected under 35 USC §103 as being unpatentable over *Cook* in view of *Otto et al.* and *Krueger et al. (Krueger)*.

Independent claims 7, 20, 21 and 32 have been amended in various forms to require that the enrollment of the customer account is first verified during the online transaction before the authentication request message is sent. The advantage is that the time and overhead associated with the authentication request message can be avoided if it is determined beforehand that the customer is not enrolled. Support for these amendments may be found, for example, in Figures 4 and 6, at page 14, line 29 through page 15, line 30, and at page 18, line 16 through page 20, line 20.

Respectfully, it is pointed out that the cited references do not disclose these newly added limitations. The cited portions of the *Cook* reference used in the current rejection of claims 9-11 and 13 only refer to “activation” of a customer account which is not the same thing as having the third party determine beforehand if the customer account is actually enrolled within the service. The *Otto* reference focuses on providing anonymous transactions and does not disclose any steps of determining enrollment of a customer before submitting a transaction request from the merchant. Paragraphs 29 and 52 of *Otto* disclose the merchant submitting a transaction request but there is no discussion of a separate enrollment verification request taking place beforehand. Finally, while *Krueger* does disclose communication in steps 110 and 120 between the merchant 20 and the trusted verification system 30, these steps are simply to receive a transaction identifier from the verification system. There is no disclosure of the merchant querying the verification system to determine if a particular customer is already enrolled within the service before proceeding.

Therefore, because these newly added limitations of the independent claims are not present in any of the cited references, it is requested that the rejection be withdrawn.

Reconsideration of this application and issuance of a Notice of Allowance at an early date are respectfully requested. If the Examiner believes a telephone conference would in any way expedite prosecution, please do not hesitate to telephone the undersigned at (612) 252-3330.

Respectfully submitted,
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